

## SENATE BILL NO. 66

INTRODUCED BY BOHLINGER

BY REQUEST OF THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "~~AN ACT ELIMINATING THE REQUIREMENT THAT A MEMBER~~ REDUCING THE YEARS OF SERVICE REQUIRED BEFORE MEMBERS OF THE PUBLIC EMPLOYEES', SHERIFFS', HIGHWAY PATROL OFFICERS', GAME WARDENS' AND PEACE OFFICERS', MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM MUST HAVE AT LEAST 10 YEARS OF SERVICE CREDIT TO SYSTEMS MAY PURCHASE MILITARY SERVICE; PROVIDING THAT MEMBERS OF THE JUDGES' RETIREMENT SYSTEM MAY PURCHASE MILITARY SERVICE; PROVIDING THAT ANY VESTED MEMBER OF THE SYSTEM MAY PURCHASE THE SERVICE; AMENDING ~~SECTION~~ SECTIONS 19-3-503, 19-6-801, 19-7-803, 19-7-804, 19-8-901, 19-9-403, AND 19-13-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 19-3-503, MCA, is amended to read:

**"19-3-503. Application to purchase military service.** (1) (a) Except as provided in subsection (2) and subject to 19-3-514, a ~~vested~~ member ~~with at least 10 years of service credit~~ WITH AT LEAST 5 YEARS OF MEMBERSHIP SERVICE may, at any time prior to retirement, file a written application with the board to purchase service credit for up to 5 years of the member's active service in the armed forces of the United States, including the first special service force or the American merchant marine in oceangoing service during the period of armed conflict, December 7, 1941, to August 15, 1945.

(b) To purchase this service, the member shall pay the actuarial cost of the member's military service, based on the system's most recent actuarial valuation.

(2) A member is not eligible to purchase military service under this section if the member:

(a) has retired from active duty in the armed forces of the United States, including the first special service force or the American merchant marine in oceangoing service during the period of armed conflict, December 7, 1941, to August 15, 1945, with a military service retirement benefit based on that military service;

(b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

1 (c) is eligible to receive credit for that service in any other retirement system or plan."

2

3 **SECTION 2. SECTION 19-6-801, MCA, IS AMENDED TO READ:**

4 **"19-6-801. Application to purchase military service.** (1) Except as otherwise provided in this section  
5 and subject to 19-6-805, ~~a~~ an eligible member ~~with at least 15 years of service credit~~ may, at any time prior to  
6 retirement, file a written application with the board to purchase up to 5 years of the member's active service in  
7 the armed forces of the United States for the purpose of calculating retirement benefits.

8 (2) To purchase this military service:

9 (a) a member with at least 15 years of service credit and who is not covered by 19-6-710 shall contribute  
10 the amount determined by the board to be due based on the member's compensation and regular contribution  
11 rate in the member's 16th year for the 1st year purchased and, for each subsequent year purchased, an amount  
12 based on the member's compensation and contribution rate in each of as many years succeeding the member's  
13 16th year as are required to complete the purchase, with regular interest from the date the member becomes  
14 eligible for this benefit to the date the purchase is complete. The member may not purchase more military  
15 service under this subsection (2)(a) than the member has service credit in excess of 15 years.

16 (b) a member with at least 5 years of membership service and who is covered by 19-6-710 shall pay  
17 the actuarial cost of the member's military service, based on the system's most recent actuarial valuation.

18 (3) A member is not eligible to purchase military service under this section if the member:

19 (a) has retired from active duty in the armed forces of the United States with military retirement benefits  
20 based on that military service;

21 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

22 (c) is eligible to receive credit for that service in any other retirement system or plan."

23

24 **SECTION 3. SECTION 19-7-803, MCA, IS AMENDED TO READ:**

25 **"19-7-803. Application to purchase military service.** (1) Except as otherwise provided in this section  
26 and subject to 19-7-805, a member with at least ~~45~~ 5 years of membership service ~~credit~~ may, at any time prior  
27 to retirement, file a written application with the board to purchase up to 5 years of the member's active service  
28 in the armed forces of the United States for the purpose of calculating retirement benefits.

29 (2) To purchase this military service, the member shall pay the actuarial cost of the member's military  
30 service, based on the system's most recent actuarial valuation.

- 1 (3) A member is not eligible to purchase military service under this section if the member:  
 2 (a) has retired from active duty in the armed forces of the United States with military retirement benefits  
 3 based on that military service;  
 4 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or  
 5 (c) is eligible to receive credit for that service in any other retirement system or plan.  
 6 ~~(4) Military service purchased under this section is not membership service and may not be used in  
 7 determining the member's eligibility for a service retirement benefit."~~

8

9 **SECTION 4. SECTION 19-7-804, MCA, IS AMENDED TO READ:**

10 **"19-7-804. Application to purchase additional service.** (1) Subject to 19-7-805, a member with at  
 11 least 5 years of membership service may, at any time before retirement, file a written application with the board  
 12 to purchase 1 additional year of service credit for each 5 years of membership service.

13 (2) To purchase service under this section, a member shall pay the actuarial cost of the service in the  
 14 sheriffs' retirement system, as determined by the board, based on the system's most recent actuarial valuation.

15 ~~(3) Service purchased under this section may not be used to qualify a member for the purchase of  
 16 military service under 19-7-803.~~

17 ~~(4)~~(3) Service purchased under this section must be credited for the purpose of meeting retirement  
 18 eligibility and for calculating retirement benefits."

19

20 **SECTION 5. SECTION 19-8-901, MCA, IS AMENDED TO READ:**

21 **"19-8-901. Application to purchase military service.** (1) (a) Except as otherwise provided in this  
 22 section and subject to 19-8-906, a member with at least ~~45~~ 5 years of membership service ~~credit~~ may, at any  
 23 time prior to retirement, file a written application with the board to purchase up to 5 years of the member's active  
 24 service in the armed forces of the United States for the purpose of calculating retirement benefits.

25 (b) To purchase this military service, the member shall pay the actuarial cost of the member's military  
 26 service, based on the system's most recent actuarial valuation as determined by the board.

27 (2) A member is not eligible to purchase military service under this section if the member:

28 (a) has retired from active duty in the armed forces of the United States with military retirement benefits  
 29 based on that military service;

30 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

1 (c) is eligible to receive credit for that service in any other retirement system or plan."

2

3 **SECTION 6. SECTION 19-9-403, MCA, IS AMENDED TO READ:**

4 **"19-9-403. Application to purchase military service.** (1) Except as otherwise provided in this section  
5 and subject to 19-9-406, a member with at least ~~45~~ 5 years of membership service ~~credit~~ may, at any time prior  
6 to retirement, file a written application with the board to purchase up to 5 years of the member's active duty  
7 service in the armed forces of the United States for the purpose of calculating retirement benefits.

8 (2) To purchase this military service, the member shall pay the actuarial cost of the member's military  
9 service, based on the system's most recent actuarial valuation.

10 ~~(3) The member may not purchase more military service than the member's years of membership~~  
11 ~~service in excess of 15 years.~~

12 ~~(4)~~(3) A member is not eligible to purchase military service under this section if the member:

13 (a) has retired from active duty in the armed forces of the United States with a military retirement benefit  
14 based on that military service;

15 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

16 (c) is eligible to receive credit for that service in any other retirement system or plan."

17

18 **SECTION 7. SECTION 19-13-403, MCA, IS AMENDED TO READ:**

19 **"19-13-403. Application to purchase military service.** (1) (a) Except as otherwise provided in this  
20 section and subject to 19-13-406, a member with at least ~~45~~ 5 years of membership service ~~credit~~ may, at any  
21 time prior to retirement, file a written application with the board to purchase up to 5 years of the member's active  
22 duty service in the armed forces of the United States for the purpose of calculating retirement benefits.

23 (b) To purchase this military service, the member shall pay the actuarial cost of the service, based on  
24 the system's most recent actuarial valuation.

25 ~~(2) A member may not purchase more military service than the member's years of membership service~~  
26 ~~in excess of 15 years.~~

27 ~~(3)~~(2) A member is not eligible to purchase military service under this section if the member:

28 (a) has retired from active duty in the armed forces of the United States with military retirement benefits  
29 based on that military service;

30 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

1 (c) is eligible to receive credit for that service in any other retirement system or plan.  
2 ~~(4) Military service purchased under this section is not membership service and may not be used in~~  
3 ~~determining the member's eligibility for a service retirement benefit."~~

4  
5 **NEW SECTION. SECTION 8. APPLICATION TO PURCHASE MILITARY SERVICE CREDIT. (1) EXCEPT AS**  
6 **OTHERWISE PROVIDED IN THIS SECTION AND SUBJECT TO [SECTION 9], A MEMBER WITH AT LEAST 5 YEARS OF MEMBERSHIP**  
7 **SERVICE MAY, AT ANY TIME PRIOR TO RETIREMENT, FILE A WRITTEN APPLICATION WITH THE BOARD TO PURCHASE UP TO**  
8 **5 YEARS OF THE MEMBER'S ACTIVE SERVICE IN THE ARMED FORCES OF THE UNITED STATES FOR THE PURPOSE OF**  
9 **CALCULATING RETIREMENT BENEFITS.**

10 **(2) TO PURCHASE THIS MILITARY SERVICE, THE MEMBER SHALL PAY THE ACTUARIAL COST OF THE SERVICE,**  
11 **BASED ON THE SYSTEM'S MOST RECENT ACTUARIAL VALUATION.**

12 **(3) A MEMBER IS NOT ELIGIBLE TO PURCHASE MILITARY SERVICE UNDER THIS SECTION IF THE MEMBER:**  
13 **(A) HAS RETIRED FROM ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES WITH MILITARY RETIREMENT**  
14 **BENEFITS BASED ON THAT MILITARY SERVICE;**

15 **(B) IS ELIGIBLE, PURSUANT TO 19-2-707, TO RECEIVE CREDIT IN THE SYSTEM FOR THAT SERVICE; OR**

16 **(C) IS ELIGIBLE TO RECEIVE CREDIT FOR THAT SERVICE IN ANY OTHER RETIREMENT SYSTEM OR PLAN.**

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18 **NEW SECTION. SECTION 9. SERVICE PURCHASE LIMITATION. A MEMBER MAY NOT PURCHASE MORE THAN A**  
19 **COMBINED TOTAL OF 5 YEARS OF SERVICE UNDER 19-5-409 AND [SECTION 8].**

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21 **NEW SECTION. SECTION 10. CODIFICATION INSTRUCTION. [SECTIONS 8 AND 9] ARE INTENDED TO BE**  
22 **CODIFIED AS AN INTEGRAL PART OF TITLE 19, CHAPTER 5, PART 4, AND THE PROVISIONS OF TITLE 19, CHAPTER 5, PART**  
23 **4, APPLY TO [SECTIONS 8 AND 9].**

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25 **NEW SECTION. Section 11. Effective date.** [This act] is effective ~~on passage and approval~~ JULY 1,  
26 2003.

27 - END -